

Worker and Community Transition

Program Mission

The Office of Worker and Community Transition was formed in September 1994 to mitigate the impacts on workers and communities caused by changing Department of Energy (DOE) missions, consistent with Section 3161 of the Defense Authorization Act of 1993. Since that time, the Office has developed the expertise to oversee work force planning for the Department, assist in developing benefits packages for displaced workers, oversee labor relations efforts, lessen the impact of downsizing on affected workers and communities by fostering alternative employment opportunities, and integrate asset disposition, where possible, into community transition efforts. From 1993 to the present, more than 50,000 contractor personnel have been separated without work disruptions at the sites or legal actions. Through these reductions the Department realizes annual savings of almost \$4 billion.

The Office of Worker and Community Transition has been a major management tool for streamlining the Department of Energy yet maintaining effectiveness during downsizing activities and changes in the make-up of the contractor work force. Further, through grants to local community reuse organizations and the sale of surplus real and personal property, the Department can contribute to the diversification of communities' economies affected by its work force actions.

In FY 1998, Congress identified this appropriation as the only authorized source of funding for local impact assistance to communities affected by work force reductions at defense nuclear facilities. At the same time, Congress put similar limits on work force transition enhanced benefits when it specified that enhanced benefits could only be provided through the worker and community transition program.

The Worker and Community Transition Program directly supports Strategic Objective EQ4 of the FY 2003 Performance Plan.

Program Strategic Performance Goals

EQ4-1 Managing Contractor Work Force Restructuring

Minimize the social and economic impacts to individuals and communities caused by changes in the Department's work force by (1) providing separation benefits comparable to industry standards while achieving annual savings that are three times the one-time cost of separation and (2) creating and retaining jobs in the community to diversify the economy and employ displaced workers.

Performance Indicator

The performance indicators for Program Strategic Performance Goal EQ4-1, Managing Contractor Work Force Restructuring, are (1) the ratio of the annual savings to the one-time cost of separation, and (2) the number of jobs created or retained in the community.

Performance Standards:

Blue: Ratio of annual savings versus costs of worker transition increase to 4:1. Number of jobs created or retained exceed target range by 1,000. Complete the Annual Report by the end of the second quarter.

Green: Ratio of worker transition costs to savings achieves goal. Number of jobs created or retained are within range in the proposed target. Criteria to guide funding are developed. Annual Report published before end of third quarter FY 2002.

Yellow: Annual savings drop below target ratio. Jobs created or retained are less than the target range.. Annual Report is prepared past end of third quarter.

Red: Annual savings ratio drops to twice cost of work force actions. Jobs created or retained are more than 500 jobs below the target range. Annual Report is not published. Funding criteria are not developed.

Annual Performance Results and Targets for EQ4-1

FY 2001 Results	FY 2002 Target	FY 2003 Proposed Target
<ul style="list-style-type: none">• <i>Achieved annual recurring costs savings from separated workers that are at least three times the one time cost of separation. (NS3-2) Met goal.</i>• <i>Support local community transition activities that create or retain 25,000 to 27,500 private sector jobs by the end of FY 2001. (NS3-2) Met goal.</i>	<ul style="list-style-type: none">• <i>Achieve annual recurring cost savings from separated workers that are at least three times the one time cost of separation. (NS3-2)</i>• <i>Support local community transition activities that will create or retain, cumulatively, between 27,500 and 29,000 private sector jobs by the end of FY 2002. (NS3-2)</i>	<ul style="list-style-type: none">• <i>Achieve annual recurring cost savings from separated workers that are at least three times the one time cost of separation.</i>• <i>Support local community transition activities that will create or retain, cumulatively, between 29,000 and 30,500 private sector jobs by the end of FY 2003.</i>• <i>Publish annual report.</i>• <i>In cooperation with the community reuse organizations, develop criteria to guide community transition funding allocations.</i>

Strategy

The Office of Worker and Community Transition's two major program elements are managing work force transition and assisting community transition impacted by downsizing.

To achieve the first performance indicator for EQ4-1, achieving annual cost savings, the Office directs work force planning and, through that process, controls the amount of enhanced severance benefits that are permitted for a particular work force separation. The Office must balance the total cost of the benefits against the need to provide incentives for orderly reductions in contractor personnel and the need for fair treatment of workers who, in some cases, have dedicated their entire or a significant portion of their careers to the production of vital components in our national defense.

To achieve the second performance indicator EQ4-2, creating or retaining jobs in impacted communities, the past practice has been to provide the local coordinating organization (the community reuse organization) with grants to implement projects designed by the community to achieve that end. Often the Department's contribution serves as "seed money" to attract investment by other government programs and private sources that far exceeds the DOE funding.

Starting in FY 2004, the Department will consider requesting funding for enhanced benefits to workers affected by restructuring through the programs responsible for funding the affected workers. The Department will evaluate the need for continued funding, if any, for community transition after FY 2003.

Significant Accomplishments

- The program successfully managed the reduction of about 51,300 contractor personnel in seven years (Fiscal Years 1994 - 2000).
- More than two thirds of separations to-date have been voluntary, with an average (including workers separated through attrition) separation cost of approximately \$18,000 per position.
- Based on the average cost per contractor worker, total annual recurring savings to-date for the 51,300 prime contractor positions eliminated is in excess of \$3.9 billion for salaries and benefits.
- Provided advice and counsel on significant labor issues at field sites including Lawrence Berkeley National Laboratory, Los Alamos National Laboratory, Richland, Idaho, and Savannah River.
- Provided local impact assistance to affected communities that cumulatively created or retained more than 27,497 private sector jobs through the end of FY 2001. One job has been created or retained to date for approximately each \$8,000 provided to affected communities by the program. This figure compares favorably with the experience of other Federal agencies in similar efforts.
- By October 1, 2001, completed the deposit of \$32.9 million into the Asset Sales Initiative account at the Department of Treasury as a result of the sales of unneeded Departmental assets.
- Protected Department of Energy holdings of beryllium metal in the National Defense Stockpile for national security missions.

Funding Profile

(dollars in thousands)

	FY 2001 Comparable Appropriation	FY 2002 Original Appropriation	FY 2002 Adjustments	FY 2002 Comparable Appropriation	FY 2003 Request
Worker and Community Transition.....	38,853	18,000	0	18,000	22,965
Program Direction.....	3,105 ^a	2,000	91	2,091 ^a	2,809 ^a
Subtotal, Worker and Community Transition.....	41,958	20,000	91	20,091	25,774
Use of Prior Year Balances ^b	-59	-266	0	-266	
Total, Worker and Community Transition.....	41,899	19,734	91	19,825	25,774
Total Excluding Full funding for Federal Retirements, Worker and Community Transition.....	41,787			19,734	25,683

Public Law Authorization:

Public Law 102-484, "National Defense Authorization Act for Fiscal Year 1993, Section 3161

^a The FY 2001 and FY 2002 column of the FY 2003 Congressional Request includes funding in the amount of \$112,000 and \$91,000, respectively, for the Government's share of increased costs associated with pension and annuitant health care benefits. These funds are comparable to FY 2003 funding of \$91,000. (Note: The data is presented on a comparable basis as if the legislation had been enacted and implemented in FY 2001.).

^b Office of Worker and Community Transition portion of EWD reduction for use of prior-year unobligated balances assigned to this program. The total reduction is applied at the appropriation level.

Funding by Site

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Albuquerque Operations Office					
Albuquerque Operations Office.....	250	650	1,000	350	53.8%
Pinellas.....	2,100	900	0	-900	-100.0%
Total, Albuquerque Operations Office.....	2,350	1,550	1,000	-550	-35.5%
Idaho Operations Office					
Idaho Operations Office	10,000	1,000	900	-100	-10.0%
Nevada Operations Office					
Nevada Operations Office.....	1,000	1,000	1,000	0	0.0%
Oak Ridge Operations Office					
Oak Ridge Operations Office.....	2,500	2,000	1,000	-1,000	-50.0%
Paducah/Portsmouth Site Office.....	12,128	1,500	1,000	-500	-33.3%
Total, Oak Ridge Operations Office.....	14,628	3,500	2,000	-1,500	-42.9%
Ohio Field Office					
Fernald Area Office.....	200	0	0	0	0.0%
Mound Area Office.....	5,200	0	0	0	0.0%
Total, Ohio Field Office	5,400	0	0	0	0.0%
Richland Operations Office					
Richland Operations Office.....	0	1,500	1,200	-300	-20.0%
Rocky Flats Field Office					
Rocky Flats Field Office.....	400	200	450	250	125.0%
Savannah River Operations Office					
Savannah River Operations Office.....	5,075	200	700	500	250.0%
Washington Headquarters					
Washington Headquarters.....	3,105 ^a	11,141 ^b	18,524 ^c	7,383	66.3%
Subtotal, Worker and Community Transition.....	41,958	20,091	25,774	5,683	28.3%
Use of prior-year balances.....	-59	-266	0	266	0
Total, Worker and Community Transition.....	41,899	19,825	25,774	5,949	30.0%

^a Includes \$3,105,000 Program Direction.

^b Includes \$2,091,000 Program Direction and \$9,050,000 for work force restructuring not distributed at this time.

^c Includes \$2,809,000 Program Direction and \$15,715,000 for work force restructuring not distributed at this time.

Site Description

Albuquerque Operations Office

Funding during FY 2002 and FY 2003 would assist the administration of community reuse organization for impacted communities in the region of facilities administered by the Albuquerque Operations Office and assist projects to diversify the economy of the regions surrounding DOE sites. These efforts would create or retain about 60 jobs during FY 2002 and 100 jobs during FY 2003.

Pinellas

Funding during FY 2001 and FY 2002 will assist the community reuse organization in making priority structural improvements to the facility. The improvements should help attract employers creating about 200 jobs in FY 2001 and about 90 jobs in FY 2002.

Idaho Operations Office

Funding during FY 2002 and FY 2003 would assist the Idaho Operations Office community reuse organization in efforts to diversify the economy of the region. These efforts would create or retain approximately 100 and 90 jobs, respectively.

Nevada Operations Office

Funding in both FY 2002 and FY 2003 would provide assistance to the Nevada Test Site Development Corporation for community transition efforts that will diversify the economy of the region. These efforts include planning, supporting new and emerging businesses, and establishing a loan program targeted toward long-term, high-value private sector jobs. The funding is expected to create or retain about 100 jobs per year.

Oak Ridge Operations Office

The community transition funding in FY 2002 will assist the Community Reuse Organization for East Tennessee (CROET) in the following projects: (1) Facilitating the use of DOE assets at the Oak Ridge Horizon and Heritage Centers; (2) Establish the National Transportation Research Center which will equip a facility focusing on resolving some of the nation's long-term transportation problems; (3) Promote the growth of high-tech businesses by developing infrastructure and other resources needed to recruit new industries; (4) Support a partnership with local educational institutions, industry, DOE, and other federal agencies to provide advance manufacturing training. FY 2002 would create or retain about 200 jobs in FY 2002 and about 100 jobs in FY 2003.

Paducah/Portsmouth Site Offices

Funding in FY 2002 and FY 2003 would assist the community reuse organization, the Southern Ohio Diversification Initiative (SODI) in attracting employers to the region. This would create or retain jobs for about 150 and 100 workers, respectively, affected by work force transition at the USEC gaseous diffusion plants.

Richland Operations Office

Funding during FY 2002 and FY 2003 would provide assistance to the Tri-Cities Industrial Development Council, the local Community Reuse Organization (CRO) surrounding the Hanford Site in projects to attract alternative employers. These projects include: 1) a minority Development program, 2) a community incentive fund, 3) a business/industry recruitment program, and 4) a reindustrialization program. The minority development program would be used to develop a revolving loan/equity fund that would help new minority business startups as well as existing businesses. The incentive fund would provide such incentives as employee training opportunities, rent/lease reductions for businesses, and other business expansion incentives. The recruitment program would focus on the new recruitment of new industry into the local area. The reindustrialization program would use site assets to help attract new industry into the Tri-Cities region as well as help existing business expand. The funding would be expected to create or retain about 150 jobs in FY 2002 and 120 jobs in FY 2003.

Rocky Flats Field Office

Funding during FY 2002 and FY 2003 would assist in the administration of the community reuse organization and would create or retain about 20 jobs in FY 2003.

Savannah River Operations Office

Funding during FY 2002 and FY 2003 would assist in the administration of the community reuse organization and would create or retain about 50 jobs in FY 2003.

Washington Headquarters

Any funding which has not been committed is reserved at headquarters. At this time estimates indicate that significant portions of the requested FY 2002 and FY 2003 funding will be expended for worker transition. However, the sites where worker transition activities will occur are not currently known because program budgets are not completed.

Worker and Community Transition

Mission Supporting Goals and Objectives

The activities of the work force restructuring program establish policy for, coordinate implementation of, and evaluate the outcomes of work force restructuring consistent with section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the contract reform initiative, best business practices and other Departmental policies as well as Objective EM4 of the Fiscal Year 2002 Performance Plan for the Department of Energy. The functions of the work force restructuring program include assisting DOE field management in managing the work force planning process; approving necessary involuntary separations; providing enhanced benefits to former defense program contractor employees being separated; and submitting final work force restructuring plans to the Congress. Based on Secretarial direction, work force restructuring objectives are considered for reductions that exceed a threshold of 100 workers at any site, including those not specifically covered by section 3161, in a single year. This activity assures that necessary work force reductions are conducted in a manner that encourages voluntary separations, assists displaced workers in securing new employment, provides basic benefits for a reasonable transition period, and is consistent with cost guidance and best business practices. The activity makes critical priority decisions to match these objectives with fiscal constraints.

Work force planning assures that contractor work force restructuring is conducted in a manner that assures that critical skills for ongoing mission requirements are retained, enhances efficiency, and accurately forecasts mission performance implications of potential future budget reductions. This goal is being achieved through the use of an integrated work force planning process based on a uniform work force data base and classification system for Department contractor employment. It supports the Departmental objective of realigning efforts to areas of maximum efficiency without jeopardizing critical task assignments.

Management of contractor labor relations establishes policy for such activities, oversees the collective bargaining process, and assists field organizations in labor/management relations. These activities promote an improved working relationship between labor and management in the Department's contractor work force. The result is uniform application of relevant labor standards, increased productivity, enhanced safety and security, and a reduction in disruptive labor disputes. The function also helps to implement the contract reform initiative, outsourcing policy and other elements of strategic alignment.

Section 3161 establishes an objective for the Department to "provide local impact assistance to communities that are affected by the restructuring plan" and to coordinate such assistance with other federal programs. This activity also provides an informational clearinghouse to assist local community economic development planning; identifies potential sources of both public and private funding outside the Department; and, on a high priority basis, funds projects that have a high probability of producing positive results for displaced workers and their affected communities. The Office has established criteria for evaluating community transition funding proposals and has signed an interagency agreement with the Department of Commerce to utilize its independent expertise to evaluate and approve proposals. The Department, in close cooperation with parties in the affected communities, also seeks to utilize excess Departmental assets to help create

economic activity and produce replacement employment for workers displaced by work force restructuring plans.

The mission of the Asset Management Program is to assist senior management in the development of a corporate strategy for the review and potential disposition of real and personal property surplus to the present or reasonable future needs of the Departments of Energy and Defense. The review would include the consideration of the efficiency of the Department's operations, the value of consolidation of functions, and the potential to designate entire facilities as surplus to the Department's needs.

The Asset Management Program would also continue as the Department of Energy representative on the Presidential Advisory Management Impact Committee (co-chaired by the Departments of State and Commerce), which advises the administrator of the Department of Defense National Stockpile Center on the acquisition and disposition of strategic and critical materials. The funding for the Asset Management Program is included in program direction.

Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002 ^a	FY 2003 ^a	\$ Change	% Change
Work Force Restructuring.....	17,365	9,050	15,715	6,665	73.6%
Community Transition Assistance...	21,429	8,684	7,250	-1,434	-16.5%
Total, Worker and Community Transition.....	38,794	17,734	22,965	5,261	29.7%
Total Excluding Full Funding for Federal Retirements, Worker and Community Transition.....	38,794	17,734	22,965	5,261	29.7%

^a FY 2002 and FY 2003 estimates allocating the appropriation to the respective program elements are preliminary. Because the Worker and Community Transition Program is counter-cyclic, more exact estimates will depend on other program funding during FY 2002 and FY 2003.

Detailed Program Justification

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
Work Force Restructuring.....	17,365	9,050	15,715

- Work force restructuring includes reviewing and approving work force restructuring plans and actions, providing enhanced benefits to separated workers, coordinating work force planning activities to retain critically needed skills, and assisting field offices in labor negotiations.

The proposed funding level for FY 2002 and FY 2003 would provide some enhanced benefits for approximately 2,500 and 4,200 workers, respectively. If additional workers are affected by worker transition activities, the amount of funding devoted to worker transition will increase with a corresponding decrease in the portion provided for community transition.

Due to uncertainty regarding activities at the gaseous diffusion facilities in Piketon, Ohio, and Paducah, Kentucky, those workers are not included in the number mentioned above..

The efforts of work force transition have resulted in annual savings of almost \$4 billion. Annual savings for FY 2002 and FY 2003 are estimated to be at least three times the costs of the total of regular and enhanced work force transition benefits.

Community Transition Assistance.....	21,429	8,684	7,250
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Approved community transition projects have created or retained 24,811 jobs as of the end of FY 2000. Community transition funding is expected to create or retain about 800 jobs during FY 2002 and 500 jobs during FY 2003.

- Community Transition Assistance Small Projects..... **191** **584** **1,450**

Funding for these projects of \$1 million or less are expected to create about 60 jobs in FY 2002 and 140 jobs in FY 2003 and provide assistance in the administration of community reuse organizations.

- Idaho Operations Office..... **6,000** **1,000** **900**

During FY 2001, the Department completed its commitment to provide a total of \$30 million over five calendar years. The FY 2001 allocation was estimated to create about 600 jobs. The funding in FY 2002 and FY 2003 will help mitigate the impact of worker transition actions during the end of FY 2001 and the beginning of FY 2002. The funding is expected to create about 100 jobs during FY 2002 and 90 jobs during FY 2003.

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
▪ Mound Facility.....	5,000	0	0
At the Mound Facility, the Department has committed to providing \$15 million, contingent upon appropriations, to accelerate the reuse of the site following its sale. The funds would be used in conjunction with other grants to perform site improvement work which would make the Mound Facility more marketable. This funding is expected to create a total of about 1,500 jobs, with about 500 jobs during FY 2001 to result from the funding.			
▪ Nevada Operations Office.....	1,000	1,000	1,000
The FY 2002 and FY 2003 funding will complete a Department commitment to provide a total of \$5 million to the local community reuse organization. The funds are expected to create or retain about 100 jobs during both FY 2002 and FY 2003.			
▪ Oak Ridge Operations Office.....	0	2,000	1,000
The Department of Energy made a commitment in FY 1999 to provide \$8.75 million to the Community Reuse Organization for East Tennessee for community transition. The allocation for FY 2003 would complete that commitment. The FY 2002 funding would be expected to create or retain about 200 jobs.			
▪ Pinellas Facility.....	2,100	900	0
The funding at the Pinellas Facility will enable the facility to attract new businesses. About 210 and 90 jobs would be created in FY 2001 and FY 2002, respectively.			
▪ Portsmouth Site Office.....	2,138	1,500	1,000
The funding at the Portsmouth Site will be used to offset the impacts of worker transition actions at the United States Enrichment Corporation facility. About 130 jobs would be created or retained during FY 2002 and 80 jobs during FY 2003.			
▪ Richland Operations Office.....	0	1,500	1,200
The assistance to the community reuse organization during FY 2002 would be estimated to create or retain about 200 jobs.			
▪ Savannah River Operations Office.....	5,000	200	700
The funding provided to the Tri-County Alliance, through the community reuse organization, is expected to create or retain about 600 jobs in FY 2001. The funding is also expected to stimulate other commercial investment of possibly more than \$150 million.			
Total, Worker and Community Transition.....	38,794	17,734	22,965

Explanation of Funding Changes from FY 2002 to FY 2003

FY 2003 vs. FY 2002 (\$000)

Worker Transition

- | | |
|--|--------|
| ▪ Work force actions in the Department's programs are expected to produce a downsizing that will require additional funding for enhanced separation..... | +6,665 |
|--|--------|

Community Transition Assistance

- | | |
|---|--------|
| ▪ Alternative resources and sources of funding are expected to decrease the need for community transition grants..... | -1,434 |
|---|--------|

Total Funding Change, Worker and Community Transition.....	+5,261
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Worker and Community Transition Program Direction

Mission Supporting Goals and Objectives

Program direction provides funding for administrative support to ensure that all operations are conducted in the most effective and efficient manner. This element also provides for the personnel and contractual services of all federal management and administrative personnel to carry out the missions of the Office of Worker and Community Transition at Department of Energy Headquarters and Field Offices.

Program direction has been grouped into four categories:

Salaries and Benefits provides for all the salaries, other benefits, e.g., employer contribution to retirement, employer contribution to health benefits and awards for superior service. The employees funded by this category perform strategic planning for the program, integrate internal and external policies and directives; represent the Office both within and outside the Department; provide technical direction and guidance for programs and projects; perform program assessment; and exercise internal controls.

Travel is provided for the traveling and per diem expenses of program staff in the performance of their official duties. Under certain circumstances, travel expenses of non-government personnel or government personnel from other programs may be compensated if they are serving a mission of the Office. Specifically, program staff travel to affected communities to provide technical and program assistance to field offices, contractor employees, and community representatives and to conduct program assessments. They also participate in meetings, conferences, and training selected to increase their professional expertise and program effectiveness.

Support Services for the Office of Worker and Community Transition consists of the payment for management support services of non-government personnel. These personnel assist the staff of the Office of Worker and Community Transition in accomplishing their missions by providing technical support, performing or assisting in program analyses, and assisting in the subsequent preparation of reports.

Other Related Expenses includes the necessary materials, services, utilities, and office space needed to conduct the program in an efficient manner. The major portion of this category consists of the items included in the working capital fund. This working capital fund includes such items as, office space; telephones; printing and duplicating services; and computer network connections and technical support. The other portion of other expenses includes procurement of supplies for the conduct of office functions.

Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Headquarters					
Salaries and Benefits.....	2,058 ^a	1,554 ^a	1,871 ^a	317	20.4%
Travel.....	35	17	35	18	105.9%
Support Services.....	591	230	518	268	125.2%
Other Related Expenses.....	421	290	385	95	32.8%
Total, Headquarters.....	3,105	2,091	2,809	718	34.8%
Full Time Equivalents.....	19	15	15	0	0.0%

^a The FY 2001 and FY 2002 column of the FY 2003 Congressional Request includes funding in the amount of \$112,000 and \$91,000, respectively, for the Government's share of increased costs associated with pension and annuitant health care benefits. These funds are comparable to FY 2003 funding of \$91,000. (Note: The data is presented on a comparable basis as if the legislation had been enacted and implemented in FY 2001.).

Detailed Program Justification

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
Salaries and Benefits	2,058	1,554	1,871
<p>Staff oversees actions to achieve approximately 3,000 to 5,000 prime contractor changes per year. They will work to streamline the approval of work force restructuring plans and develop and implement policies to integrate contract reform mechanisms. They will provide oversight of upcoming labor negotiations at four sites. They will continue efforts to mitigate impacts on communities affected by work force reductions.</p> <p>During FY 2002 and FY 2003, the Asset Management Program staff will continue to assist in the transfer of unneeded materials at field sites throughout the complex, especially in the transfer of ozone depleting substances, in the transfer of excess personal computers from the Department of Interior to the National Electronics Recycling Center at Oak Ridge, and will represent the Department on the Market Impact Committee to retain critical and strategic materials needed for national security needs in the National Defense Stockpile.</p>			
Travel	35	17	35
<p>Travel will enable staff to provide technical assistance to field offices on work force planning and community transition. Staff will also be able to assist field offices in labor negotiations, conducting program assessments, and providing technical assistance in asset management. Training is also included in this cost category.</p>			
Support Services	591	230	518
<p>Support services consist of two elements. The first is assistance in the preparation of both routine and extraordinary analyses and reports as needed. This system will allow the department and its site management contractors to assess the skills of the present work force in comparison to projected needs and match the skills of workers identified for separation with the needs of vacancies. Overall, this system should lead to better personnel management, reduce separation costs, and contribute to retaining important skills..</p>			
Other Related Expenses	421	290	385
<p>The amount in this category consists mainly of the working capital fund. Space rental, telephones, copiers and printing, computer support, general office supplies, and mailing costs are included in this fund. Other expenses are for items not encompassed by the working capital fund, e.g., computer software and professional journals.</p>			
Total, Program Direction	3,105	2,091	2,809

Explanation of Funding Changes from FY 2002 to FY 2003

	FY 2003 vs. FY 2002 (\$000)
Salaries and Expenses	+171
No decrease in FTE's is expected. The increases in costs reflects COLA's and within-grade increases. Also, a part of FY 2002 was paid from carryover unobligated funds which are not reflected in these tables.	
Travel	+18
Some additional travel is expected in order to support some planned program reviews.	
Support Services	+288
Additional support contractor assistance will be needed to conduct program analyses.	
Other Related Expenses	+95
Expenses associated with the program analyses are expected to increase miscellaneous costs.	
Total Funding Change, Program Direction	+718

Support Services

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Technical Support Services.....	0	0	0	0	0.0%
Management Support Services.....	460	175	443	268	153.1%
ADP Support.....	79	40	50	10	25.0%
Administrative Support Services.....	52	15	25	10	66.7%
Total, Support Services.....	591	230	518	288	125.2%

Other Related Expenses

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Working Capital Fund.....	363	280	345	65	23.2%
Other.....	58	10	40	30	300.0%
Total, Other Related Expenses.....	421	290	385	95	32.8%